



House of Representatives

General Assembly

File No. 144

February Session, 2018

Substitute House Bill No. 5203

House of Representatives, April 3, 2018

The Committee on Insurance and Real Estate reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ELECTRONIC PROOF OF AUTOMOBILE INSURANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-12b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2018*):

3 (a) No motor vehicle registration shall be issued by the
4 commissioner for any private passenger motor vehicle, as defined in
5 subsection (e) of section 38a-363, or a vehicle with a commercial
6 registration, as defined in section 14-1, unless (1) the application for
7 registration is accompanied by a current automobile insurance
8 identification card containing the information required in section 38a-
9 364 or a copy of a current insurance policy or endorsement issued by a
10 company licensed to issue such insurance in this state or an approved
11 self-insurer or issued pursuant to the plan established under section
12 38a-329, verifying that the applicant has the required security
13 coverage, and (2) the applicant signs and files with the commissioner,

14 under penalty of false statement as provided for in section 53a-157b, a
15 statement on a form approved by the commissioner that the owner of
16 the vehicle has provided and will continuously maintain throughout
17 the registration period the minimum security required by section 38a-
18 371. In the case of an owner with a vehicle located outside of the
19 United States or Canada, the commissioner may accept in lieu of the
20 insurance identification card required to be presented for issuance of
21 the registration, an affidavit, in such form as the commissioner shall
22 require, executed by the owner and stating that the vehicle will not be
23 operated in the United States or Canada. In the case of a special use
24 registration issued pursuant to subsection (j) of section 14-12, the
25 commissioner may, in lieu of proof of insurance as otherwise required
26 by this section, accept proof, satisfactory to the commissioner, of
27 substantially equivalent or similar insurance issued by an insurer
28 licensed to transact business in the state in which the motor vehicle is
29 to be registered. The commissioner may require an applicant for
30 renewal of a motor vehicle registration for any private passenger
31 motor vehicle or vehicle with a commercial registration to sign and file
32 with the commissioner, under penalty of false statement as provided
33 for in section 53a-157b, a statement on a form approved by the
34 commissioner that the owner of the vehicle will continuously maintain
35 throughout the registration period the minimum security required by
36 said section 38a-371. Such form shall call for and contain the name of
37 the applicant's insurance company and policy number.

38 (b) For the purposes of this title, the requirement that a person
39 present an automobile insurance identification card to the
40 commissioner or a law enforcement officer may be satisfied by
41 electronic means, including by an in-person display of an electronic
42 image on a cellular mobile telephone or other electronic device. If a
43 person presents such insurance identification card by display of an
44 electronic image on a cellular mobile telephone or other electronic
45 device, the commissioner or law enforcement officer may not view,
46 and offering such display shall not be construed to be consent for the
47 commissioner or law enforcement officer to view, any content on such
48 telephone or electronic device other than the insurance identification

49 card. Neither the state nor a municipality, nor any agency or employee
50 of the state or a municipality, shall be liable for any damage to or
51 destruction of a cellular mobile telephone or other electronic device
52 provided to the commissioner or a law enforcement officer for the
53 purpose of displaying an electronic image of an automobile insurance
54 identification card.

55 [(b)] (c) For the purposes of this section and sections 14-12c, as
56 amended by this act, 14-213b, 14-217 and 38a-364, a false statement
57 includes presentation of a false or fraudulent insurance identification
58 card to the commissioner or to a law enforcement officer. For purposes
59 of this section, the term "current automobile insurance identification
60 card" includes a permanent card with a future effective date provided
61 the word "renewal" appears in close proximity to the effective date on
62 the card.

63 [(c)] (d) A person presenting an insurance identification card to the
64 commissioner or to a law enforcement officer is deemed to have full
65 knowledge and understanding that presentation of the card means the
66 owner of the vehicle so registered has provided and will continuously
67 maintain throughout the registration period the minimum security
68 required by section 38a-371.

69 [(d)] (e) The commissioner shall, upon receiving prima facie
70 evidence of a violation of this section, immediately forward the
71 information to an appropriate prosecuting official of the state of
72 Connecticut.

73 Sec. 2. Section 38a-343a of the 2018 supplement to the general
74 statutes is repealed and the following is substituted in lieu thereof
75 (*Effective October 1, 2018*):

76 (a) (1) The Commissioner of Motor Vehicles may require each
77 insurer that issues policies in this state to notify said commissioner
78 monthly, on a date specified by said commissioner, of the cancellation
79 or issuance by the insurer of all such policies that occurred during the
80 preceding month. Such notice shall include the name of the named

81 insured in the policy, the policy number, the vehicle identification
82 number of each automobile covered by the policy and the effective
83 date of the policy's cancellation or issuance. Said commissioner shall
84 specify an acceptable method of notification. The method of
85 notification specified may include computer tapes or electronic
86 transmission.

87 (2) Said commissioner may require each insurer that issues policies
88 in this state to provide monthly, on a date specified by said
89 commissioner, the policy information required for purposes of the
90 Online Insurance Verification System, as provided in section 14-112a.

91 (3) The failure of an insurer to comply with the requirements of this
92 section shall not affect the cancellation or issuance of any policy.

93 (b) The Commissioner of Motor Vehicles shall receive or accept all
94 notices of policy cancellation or issuance or all policy information from
95 insurers, as required pursuant to subsection (a) of this section. Said
96 commissioner shall review and analyze the cancellation or issuance
97 data or policy information submitted, together with such other
98 information as said commissioner may obtain from the insurers, from
99 the records of the Department of Motor Vehicles, or from any other
100 public or private agency or firm in possession of relevant information,
101 for the purpose of determining whether any registered owner
102 identified in any such notice has failed to continuously maintain
103 insurance coverage in violation of sections 14-12c, as amended by this
104 act, and 38a-371. In conducting such an inquiry to determine insured
105 status, said commissioner may contact registered vehicle owners by
106 mail and require that such mail inquiries be answered in not less than
107 thirty days, in a satisfactory manner containing such information and
108 verification of insurance coverage as said commissioner deems
109 necessary and acceptable.

110 Sec. 3. Section 14-12c of the general statutes is repealed and the
111 following is substituted in lieu thereof (*Effective October 1, 2018*):

112 The commissioner may at any time require any owner of a private

113 passenger motor vehicle or a vehicle with a commercial registration, as
 114 defined in section 14-1, to submit further information to verify the
 115 required security coverage within the time specified by the
 116 commissioner. If the commissioner is unable to verify the insurance
 117 information furnished, the commissioner shall, unless such registrant
 118 has been reported as cancelled or issued in accordance with this
 119 section and sections 14-12f to 14-12i, inclusive, 38a-343 and 38a-343a, as
 120 amended by this act, afford such owner an opportunity for a hearing in
 121 accordance with chapter 54 to determine whether such owner's
 122 application for registration contains a material false statement or
 123 whether such owner has failed to continuously maintain the security
 124 required under section 38a-371. If the commissioner finds that such
 125 owner did not have the required security in effect on the date of
 126 registration, or that such owner presented a false or fraudulent
 127 insurance identification card to the commissioner, the application for
 128 registration shall be deemed to contain a material false statement. Any
 129 registration issued as a result of such application shall be void from the
 130 date of issue and the registration number plates shall be surrendered
 131 to the commissioner or the commissioner shall issue a notice of
 132 suspension of the registration in accordance with the provisions of
 133 section 14-12g. If the commissioner finds that the owner had the
 134 required security in effect at the time such application was submitted
 135 but failed to maintain it continuously during the registration period,
 136 the commissioner shall issue a notice of the suspension of the
 137 registration in accordance with the provisions of section 14-12g. The
 138 commissioner may use information contained in the Online Insurance
 139 Verification System established in accordance with section 14-112a to
 140 verify or enforce security coverage requirements or impose sanctions
 141 in accordance with any provision in this chapter or chapter 700.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2018</i>	14-12b
Sec. 2	<i>October 1, 2018</i>	38a-343a
Sec. 3	<i>October 1, 2018</i>	14-12c

Statement of Legislative Commissioners:

In Section 1(c), "as amended by this act," was added to conform with changes made in Section 3, in Section 2, Section 38a-343a was amended in its entirety to make conforming changes in Subsecs. (a)(3) and (b), and Section 3 was added to make a conforming change.

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill allows a person to present automobile insurance identification cards electronically to law enforcement officers and the Department of Motor Vehicles. The bill specifies that the state and municipalities are not liable for any damage to an electronic device, which precludes any future costs to the state and municipalities for any lawsuits related to the provisions of the bill.

Also, the bill requires insurance companies to notify the Department of Motor Vehicles monthly of any new insurance policies within the state, which does not result in a fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sHB 5203*****AN ACT CONCERNING ELECTRONIC PROOF OF AUTOMOBILE INSURANCE.*****SUMMARY**

This bill allows a person to present his or her automobile insurance identification card electronically on a cell phone or other electronic device, instead of in paper form, to law enforcement officers and the Department of Motor Vehicles (DMV) commissioner (see BACKGROUND).

Under the bill, officers and the commissioner cannot view any other content on the device, and presenting the card electronically does not give consent for them to view any other content. Additionally, the bill exempts the state, a municipality, and state or municipal agencies or employees from liability for any damage to a device handed to an officer or the commissioner for the purpose of displaying an electronic automobile insurance identification card.

The bill also allows the DMV commissioner to require an insurer to notify him on a date he chooses that the insurer has issued an automobile insurance policy during the preceding month. Existing law already allows him to require insurers to notify him of policy cancellations during the preceding month and records of insurance policies in effect. By law, DMV uses this information to determine if a registered vehicle owner has maintained automobile insurance continuously as required by law.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2018

BACKGROUND

Automobile Insurance Identification Card Required

By law, a person must present an automobile insurance identification card when, among other things, (1) requested to do so by a law enforcement officer (CGS § 14-217) or (2) registering a motor vehicle (CGS § 14-12b).

The law also requires an insurer to issue identification cards in duplicate for each insured vehicle (CGS § 38a-364) and one card to be carried in the motor vehicle when it is operated on a public highway (CGS § 14-13). Failure to carry one in the vehicle is an infraction that subjects the violator to a \$50 fine.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 2 (03/15/2018)